

# **EXHIBIT 14**



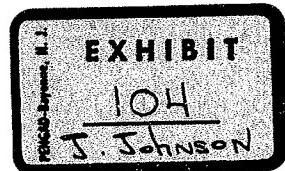
# MaxSpecialty

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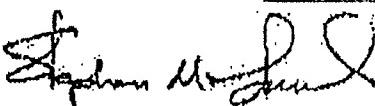
**MAX SPECIALTY INSURANCE COMPANY**  
 9020 Stony Point Parkway, Suite 325  
 Richmond, VA 23235 USA

## POLICY DECLARATIONS

Policy No. MAX2XP0004029

At 12:01 a.m. Standard Time at place of issuance, the Named Insurance Companies shown in the Percentage of Participation Endorsement, (hereinafter referred to as the Company), in consideration of the payment of the premium specified in this policy and subject to each company's percent of participation, the limits of insurance, exclusions, conditions and other terms of this policy [or as may be added by form(s) or endorsement(s)] does agree with you to provide the insurance as stated in this policy.

	Insured's Name: Signal International, LLC  Mailing Address: P.O. Box 7007 Pascagoula, MS 39588	Policy Period  From: 01/30/2009 To: 01/30/2010
1.	<b>Coverage Part(s):</b> Commercial Property-Excess of Loss	
2.	<b>Participation Layer:</b> \$15,000,000 per occurrence excess of \$10,000,000 per occurrence	
3.	<b>Coverage Form:</b> Excess of Loss Agreement MEP003 (07/08)	
4.	<b>Covered Property:</b> Building, Contents, and Business Income with Extra Expense as per the schedule of values on file with this company dated 01/30/2009	
5.	<b>Perils:</b> All Risks of Direct Physical Loss or Damage excluding Named Windstorm, Flood, Storm Surge/Ensuing Flood, and Earthquake	
6.	<b>Valuation:</b> Replacement Cost Valuation on Building and Contents Actual Loss Sustained on Business Income with Extra Expense	
7.	<b>Coinurance:</b> as per the underlying policy	
8.	<b>Additional Conditions:</b> Fungus Limitation Endorsement MEP005 (07/08) Exclusion of Certified Acts of Terrorism IL0953 (01/08) Absolute Pollutant and Asbestos Exclusions MEP004 (07/08)	
9.	<b>Policy Premium:</b> \$90,000	This insurance policy is issued pursuant to Mississippi law covering surplus lines insurance. The company issuing the policy is not licensed by the State of Mississippi, but is authorized to do business in Mississippi as a nonadmitted company. The policy is not protected by the Mississippi Insurance Guaranty Association in the event of the insurer's insolvency.
	Other Considerations: \$ <u>n/a</u> Inspection fee which is fully earned and not subject to commission. TRIA certified acts coverage: \$ <u>rejected</u> . Minimum Premium for this policy is <u>\$31,500</u> irrespective of term.	
10.	This premium is based on \$ <u>211,328,279</u> in total value of property and interest covered as of <u>01/30/2009</u> Reported by the Insured in the application or request of this insurance.	

11.	<b>Primary/Underlying Carrier(s):</b> as per the Commercial Property Supplemental Declarations MEP002 (07/08)		
12.	<b>Mortgagee Clause:</b> as per the underlying policy		
<b>This policy is made and accepted subject to the above statement together with the provisions, stipulations and agreements contained in the form(s) and endorsement(s) made a part of this policy and shown in the Forms Endorsement MBM104.</b>			
Producer's Name: <b>AmWINS</b>  Mailing Address: <b>Wall Street Plaza 88 Pine Street, 6th Floor New York</b> NY 10005		Issuing Office <b>RIC</b>  Initials: <b>JMU</b>  DATE OF ISSUE: <b>04/23/2009</b>	PRODUCER NUMBER  RENEWAL OR REPLACEMENT NO <b>New</b>
 Authorized Representative:			

**POLICYNO:** MAX2XP0004028  
**INSURED:** Signal International, LLC  
**EFFECTIVE:** 01/30/2009

## FORMS ENDORSEMENT

The following are the forms attached to and forming a part of this policy:

MAXJAC	POLICY JACKET
MEP001	POLICY DECLARATIONS [07-08]
MBM104	FORMS ENDORSEMENT [07-08]
MBM101	PERMISSION FOR EXCESS [07-08]
MBM102_1108	COMMERCIAL PROPERTY CONDITIONS [11-08]
MBM105	OCCURRENCE LIMIT OF INSURANCE [07-08]
MBM107	VALIDATION ENDORSEMENT [07-08]
MBM203	MINIMUM EARNED PREMIUM CLAUSE [07-08]
MXM103	PRIVACY POLICY [04-07]
IL0017	COMMON POLICY CONDITIONS [11-98]
IL0953	EXCLUSION OF CERTIFIED ACTS OF TERRORISM [01-08]
MEP002	COMMERCIAL PROPERTY SUPP DEC - PRIMARY/UNDERLYING INS [07-08]
MEP003	EXCESS OF LOSS AGREEMENT (DIRECT PHYSICAL DAMAGE FOLLOWING FORM) [07-08]
MEP004	ABSOLUTE POLLUTANT AND ASBESTOS EXCLUSIONS [07-08]
MEP005	FUNGUS, WET ROT, DRY ROT AND BACTERIA - LIMITED COVERAGE FORM [07-08]
MEP006	ELECTRONIC DATA - LIMITED COVERAGE ENDORSEMENT [07-08]

MBM104 (07/08)

WILLIS00699

## PERMISSION FOR EXCESS INSURANCE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### A. Excess Insurance

Permission is granted for you to purchase specific or blanket limits of insurance in excess of the occurrence limit specified in our policy. The Other Insurance Section of the Commercial Property Conditions of this policy will not apply to such excess insurance.

This policy will be considered as primary insurance to such excess insurance, subject to the maximum limits of insurance provided by our policy.

### B. Coinsurance

The provisions of the Coinsurance Clause contained within the policy are deleted.

### C. Liberalization Clause

The provisions of the Liberalization Clause contained within the policy are deleted.

### D. Salvage or Recoveries

If salvage or recovery is received by us subsequent to payment of a loss, such loss will be re-figured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time such loss was originally settled. Any amounts found to be due either party from the other will be paid promptly.

The expense of all proceedings necessary to such salvage or recovery will be apportioned between the interests concerned in the ratio of their respective recoveries as finally settled. If there should be no salvage or recovery and proceedings are conducted solely by us, the total of all such expenses will be borne by us.

### E. Conflicting Clauses

The clauses in this endorsement will be considered to supersede and annul any similar clauses found in the policy that may be in conflict or contrary to the clauses in this endorsement.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

## **COMMERCIAL PROPERTY CONDITIONS**

All Coverage Parts included in this policy are subject to the following conditions.

**1. Broker of Record:**

The producer shown in the Declarations is the exclusive broker of record and agent of the insured for all transactions during the policy period. Any changes, including money transactions, additional premiums, return premiums and cancellations must be made through the named producer. The Company will not accept a request for change in producer mid term. The Insured may change brokers as respects to this policy at anniversary by providing the Company five (5) days written notice requesting such change. Additionally, the Company will only agree to the Insured's change request if the indicated change broker is an active broker under contract with the Company and Max Specialty Insurance Company.

**2. Changes:**

This policy contains all the agreements between the Company and the Insured concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with the Company's consent. This policy's terms can be amended or waived only by endorsement issued by the Company and made a part of this policy.

**3. Concealment, Misrepresentation or Fraud:**

This Coverage Part is void in any case of fraud by the Insured as it relates to this Coverage Part at any time. It is also void if the named insured or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- A. This Coverage Part;
- B. The Covered Property;
- C. The Insured's interest in the Covered Property; or
- D. A claim under this Coverage Part.

**4. Control of Property:**

Any act or neglect of any person other than the Insured beyond the Insured's direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**5. Coverage Territory:**

Under this Coverage Part the coverage territory is:

- A. The United States of America,
- B. Puerto Rico and Canada are excluded from coverage territory.

**6. Examination of Your Books and Records:**

The Company may examine and audit the Insured's books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## COMMERCIAL PROPERTY CONDITIONS

### 7. Government Activity Clause:

The Company shall not be liable for loss or damage caused by or resulting from: (1) the seizure or destruction of property insured by this policy by any government body, including any customs or quarantine action, or (2) confiscation or destruction of any property by order of any government or public authority, except an order to destroy property to prevent the spread of fire or explosion.

### 8. Inspections and Surveys:

A. The Company has the right to:

1. Make inspections and surveys at any time.
2. Give the Insured reports on the conditions the Company finds; and
3. Recommend changes.

B. The Company is not obligated to make any inspections, surveys, reports or recommendations and any such actions undertaken relate only to insurability and the premiums to be charged. The Company does not make safety inspections. The Company does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the Company does not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

C. Paragraphs A. and B. of this condition apply not only to the Company, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

D. Paragraph B. of this condition does not apply to any inspections, surveys, reports or recommendations the Company may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### 9. Legal Action Against Us:

No one may bring a legal action against the Company under this Coverage Part unless:

- A. There has been full compliance with all of the terms of this Coverage Part and Policy Conditions; and
- B. The action is brought within 1 year after the date on which the direct physical loss or damage occurred.

### 10. No Benefit to Bailee:

No person or organization, other than the Insured, having custody of Covered Property will benefit from this insurance.

## COMMERCIAL PROPERTY CONDITIONS

### 11. Notification of Claim:

The Insured, upon knowledge of any occurrence likely to give rise to claim for loss or damage as covered hereunder, shall notify the Company as soon as practicable but no later than 1 year from Policy expiration. Claim Reporting information is as follows:

Phone: 1 -- (888) -- MAX - 8848  
FAX: 1 -- (888) -- MAX - 8858  
E-mail: claims@maxspecialty.com

Additionally, the Insured shall be required to submit an acceptable sworn Proof of Loss within 60 days from date of written notice to the Company, unless extended in writing by the Company.

### 12. Nuclear Exclusion:

(This clause applied to all perils except fire and lightning, which perils are otherwise provided for in the Nuclear Clause attached to the Policy): Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this Policy, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to or aggravated by any of the perils insured against in this Policy.

### 13. Other Insurance:

- A. The Insured may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If the Insured does, the Company will pay their share of the covered loss or damage. The Company's share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
- B. If there is other insurance covering the same loss or damage, other than that described in above, the Company will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not. But the Company will not pay more than the applicable Limit of Insurance.

### 14. Premiums:

The first Named Insured shown in the Declarations:

- A. Is responsible for the payment of all premiums; and
- B. Will be the payee for any return premiums the Company pays.

### 15. Preservation of Property:

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, the Company will pay for any direct physical loss or damage to that property:

- A. While it is being moved or while temporarily stored at another location; and
- B. Only if the loss or damage occurs within 30 days after the property is first moved.

## **COMMERCIAL PROPERTY CONDITIONS**

### **16. Service of Suit:**

It is agreed that in the event of the failure of this Company hereon to pay any amount claimed to be due hereunder, this Company hereon, at the request of the Insured, will submit to the jurisdiction of any court of competent jurisdiction with the United States of America and will comply with all requirements necessary to give such Court jurisdiction and all matters arising hereunder shall be determined in accordance with the law and practice of such Court.

It is further agreed that service of process in such suit may be made upon the Company Presidents, or their nominees. In any suit against any one of them upon this policy, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

Company Presidents, or their nominees are authorized and directed to accept service of process on behalf of the Companies in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that it or they will enter a general appearance upon the Company's behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provision therefore, this Company hereon hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

### **17. Transfer of Your Rights and Duties Under This Policy:**

The Insured's rights and duties under this policy may not be transferred without the Company's written consent except in the case of death of an individual Named Insured.

If the Insured dies, the Insured's rights and duties will be transferred to the Insured's legal representative but only while acting within the scope of duties as the Insured's legal representative. Until the Insured's legal representative is appointed, anyone that has proper temporary custody of the Insured's property will have the Insured's rights and duties but only with respect to that property.

### **18. Transfer of Rights of Recovery Against Others To Us:**

If any person or organization to or for whom the Company makes payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- A. Prior to a loss to the Insured's Covered Property or Covered Income.
- B. After a loss to the Insured's Covered Property or Covered Income only if, at time of loss, that party is one of the following:
  - 1. Someone insured by this insurance;
  - 2. A business firm:
    - (a.) Owned or controlled by the Insured; or
    - (b.) That owns or controls the Insured; or
  - 3. The Insured's tenant.

This will not restrict the Insured's insurance.

## **COMMERCIAL PROPERTY CONDITIONS**

### **19. War Risk Exclusion:**

This Company shall not be liable for loss caused directly or indirectly by (a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (2) by military, naval or air forces; or (3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such hostile or warlike action by such a government, power, authority or forces; (b) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

**OCCURRENCE LIMIT OF INSURANCE  
ENDORSEMENT**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**Excess of Loss Agreement MEP003 (07/08)**

LIMITS OF INSURANCE Sections as found in the above referenced coverage forms are deleted and replaced by the following:

**Occurrence Limit of Insurance \$ 15,000,000**

The most we will pay for loss or damage in any occurrence is the Occurrence Limit of Insurance shown above, irrespective of the number of locations involved.

**In the event of loss or damage we will not pay more than the least of the following:**

- (1) The actual amount of the adjusted loss as defined elsewhere throughout the policy, or
- (2) The stated value for each scheduled item of coverage applicable to the lost or damaged property, as shown on the Statement of Values on file with the Company, or on MBM106 if attached to this policy, plus any additional limits of insurance for Property Additional Coverage or Coverage Extensions included in, or that modify the Property Coverage Parts; and any limit(s) of insurance as shown on Coverage Declaration(s) or Schedules of any inland marine coverage forms; or
- (3) The Occurrence Limit of Insurance shown above,

Less applicable deductible(s).

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

MBM105 (07/08)

WILLIS00706

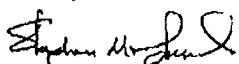
## VALIDATION

The policy provisions included herein along with the Declarations Page and any endorsements issued complete this evidence of insurance.

IN WITNESS WHEREOF,

The Companies shown on the Declarations Page and Participation endorsement of this policy has caused the policy to be signed by their presidents and secretaries, but this policy shall not be valid unless the Declarations are countersigned, when necessary, by a duly authorized representative of the Companies.

*Secretary*



THIS NOTICE OF VALIDATION IS ATTACHED TO AND FORMS PART OF  
YOUR EVIDENCE OF INSURANCE

Issued by the Max Specialty Insurance Company,  
9020 Stony Point Pkwy., Suite 325  
Richmond, VA 23235

Date: 01/30/2009	
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MBM107 (07/08)

**POLICY NUMBER: MAX2XP0004029**

**COMMERCIAL PROPERTY**

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ THIS ENDORSEMENT CAREFULLY.**

**MINIMUM EARNED PREMIUM CLAUSE – PERCENTAGE**

In the event of cancellation of this policy or reduction of coverage by the Insured, a minimum premium of 35 % of the original policy premium shall become earned; any conditions of the policy to the contrary notwithstanding.

Failure of the Insured to make timely payment of premium shall be considered a request by the Insured for the Company to cancel. In the event of such cancellation by the Company for non-payment of premium, the minimum premium shall be due and payable; provided, however, such non-payment cancellation shall be rescinded if the Insured remits the full premium due within 10 days of receiving it.

In the event of any other cancellation by the Company, the earned premium shall be computed pro rata, not subject to the minimum premium.

MBM203 (07/08)

WILLIS00708

**PRIVACY POLICY  
For  
MAX SPECIALTY INSURANCE COMPANY**

Max Specialty Insurance Company understands the importance placed by our customers on the privacy and safeguarding of their personal information. The Company intends and is obligated to protect all nonpublic personal information provided to the Company by our customers. Whether a consumer is already a policyholder or is applying for insurance or is a claimant, the Company will maintain the confidentiality and security of all individual's personal information as required by law.

In order to meet our customers' insurance needs and to comply with business, regulatory and legal obligations we are required to collect and at times, use personal information. The Company does not disclose personal information about customers, potential or former, for marketing purposes to nonaffiliated third parties. The Company may gather information from a variety of sources including but not limited to the Company's affiliates, consumer reporting agencies such as credit bureaus, property inspection services and other non-affiliated third party organizations. We do not disclose any personal information about our customers, except as follows:

- 1) with consumer/customer consent,
- 2) as required by law,
- 3) as permitted by law
- 4) as necessary or appropriate to underwrite, administer, service, effect, process or enforce an insurance policy that we have issued (or are considering issuing), or
- 5) as necessary to otherwise service a customer's policy or effect a customer

When necessary, the Company may disclose nonpublic personal information to a nonaffiliated organization that is performing services relative to the policy or our operation, we require that such third parties use and disclose the information only as necessary relating to the service or function that they are performing on our behalf. It is important that the Companies' employees be aware of and abides by this Privacy Policy and the applicable laws governing the use, handling and disclosure of nonpublic personal information. Our employees may not access nonpublic personal information maintained by the Company on a general basis. Company employees will have access to personal nonpublic information of applicants, policyholders or claimants if this information relates to their job performance for the Company. The Company will maintain adequate safeguards to protect the confidentiality and security of the nonpublic personal information that we obtain. Employees may not disclose or use nonpublic personal information except as authorized by the Company or as permitted or required by law. If an employee fails to comply with these requirements this may lead to appropriate disciplinary action by the Company up to, and including, dismissal.

This Privacy Policy applies to individuals who are applicants, policyholders, or claimants under insurance products or services obtained from the Company primarily for personal, family or household purposes; it does not apply to products or services obtained for business, commercial or agricultural purposes.

The Company will provide notice of its privacy policy to its customers not less than annually, while the policyholder maintains a relationship with us.

IL 00 17 11 98

## COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

### A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

### C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

### D. Inspections And Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

### F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

POLICY NUMBER: MAXXP0004029

IL 09 53 01 08

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 STANDARD PROPERTY POLICY

**SCHEDULE**

The Exception Covering Certain Fire Losses (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Various	

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

- A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concrecence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- B. The following exclusion is added:

**CERTIFIED ACT OF TERRORISM EXCLUSION**

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- C. **Exception Covering Certain Fire Losses**

The following exception to the exclusion in Paragraph B, applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

IL 09 53 01 08

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Page 1 of 2

WILLIS00711

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

#### D. Application Of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.



## MAX SPECIALTY INSURANCE COMPANY

8020 Stony Point Parkway, Suite 325

Richmond, VA 23235

USA

POLICY MAX2XP0004029

**Commercial Property Supplemental Declarations**  
**Primary/Underlying Insurance**

Item No.			
1. Schedule Of Primary/Underlying Carrier	Primary Carrier:  Westchester Surplus Lines  Company: Signal International, LLC  Policy Number: D37362220 001  Term: 01/30/09-01/30/10	Underlying Carrier:	
2. Attachment	\$16,000,000 per occurrence excess of \$10,000,000 per occurrence		
3. Participation and Layer Limit(s)	LIMIT Primary: \$ 10,000,000 (Subject to Occurrence Limit of Liability)		
4. Perils	All Risks of Direct Physical Loss or Damage including Earthquake and Flood		
5. Aggregates:	Primary Layer : <u>\$25,000,000</u> <u>\$25,000,000</u> Excess Layer: <u>Not Covered</u> <u>Not Covered</u>	In the aggregate for Earthquake. In the aggregate for Flood. In the aggregate for Earthquake In the aggregate for Flood.	
6. Sublimits:	n/a		
7. Premium Adjustment:	P/R @ account rate		

This Supplemental Declaration page together with the Common Policy Conditions, Common Policy Declarations, Coverage terms and Endorsements, if any, issued to form a part hereon, complete the Contract of Insurance.

MEP002 (07/08)

WTT.LTS00713



# MaxSpecialty

## EXCESS PHYSICAL DAMAGE FORM

### 1. INSURING AGREEMENT:

Subject to the limitations, terms and conditions contained in this Policy or added hereto, the Insurer(s) agree to indemnify the Insured named in the Declarations herein in respect of Direct Physical loss or damage to the property described in Declarations, while located or contained as described in the Declarations, occurring during the period stated in the Declarations and caused by any of such perils as are set forth in Declarations and which are also covered by and defined in the Policy/ies specified in the Declarations and issued by the "Primary Insurer(s)" stated therein.

### 2. APPLICATION OF UNDERLYING PROVISIONS:

In respect of the perils hereby insured against this Policy is subject to the same warranties, terms and conditions (except as regards the premium, the amount and Limits of Liability other than the deductible or self-insurance provision where applicable, and the renewal agreement, if any, AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or as may be added to the Policy/ies of the Primary Insurer(s) prior to the happening of a loss for which claim is made hereunder and should any alteration be made in the premium for the Policy/ies of the Primary Insurer(s), then the premium hereon may be adjusted accordingly.

### 3. LIMIT OF LIABILITY:

Provided always that liability attaches to the Insurer(s) only after the Primary and Underlying Excess Insurer(s) have paid or have admitted liability for the full amount of their respective liability as set forth in Declarations and designated Primary and Underlying Excess Limit(s)" and then the limits of the Insurer(s) Liability shall be those set forth in Declarations under the designation Excess Limit(s) and the Insurer(s) shall be liable to pay up to the full amount of such Excess Limit(s).

### 4. MAINTENANCE OF PRIMARY AND UNDERLYING EXCESS POLICY/IES AND LIMITS:

It is a condition precedent to recovery under this Policy that the Policy/ies and Limit(s) of the Primary and Underlying Excess Insurer(s) set forth in Declarations be maintained in full force and effect, except for any reduction or exhaustion of any underlying aggregate Limits of Liability contained therein, solely by the amount of loss(es) paid or admitted during the policy year. Only losses which, except for the amount thereof, would have been payable under this Policy contribute to the satisfaction, reduction or exhaustion of underlying amounts and/or deductibles.

In the event of such reduction of the aggregate Limits of Liability of the Primary and Underlying Excess Insurance's this Policy shall pay excess over the reduced aggregate limit. In the event of exhaustion of aggregate Limits of Liability of the Primary and Underlying Excess Insurance's this Policy, subject to all its provisions, shall continue in force as Primary Insurance in respect of the peril for which the aggregate Limit of Liability has been so exhausted and the deductible or self-insured amount applicable to that peril, as set forth in Declarations, shall apply to this Policy.

### 5. UNCOLLECTIBILITY OF OTHER INSURANCE:

Notwithstanding any of the terms of this Policy that might be construed otherwise, the insurance provided by this Policy shall always be excess over the maximum monetary limits set forth in Declarations (reduced only by reduction of any underlying aggregate limits as provided for in Clause 4 herein) regardless of the uncollectibility (in whole or in part) of any underlying insured amounts for any reason, including, but no limited to, the financial impairment or insolvency of an underlying Insurer(s).

The risk of uncollectibility (in whole or in part) of other insurance, whether because of financial impairment or insolvency of an underlying or other insurer(s) or for any other reason, is expressly retained by the Insured and is not in any way or under any circumstances insured or assumed by Insurer(s).

**6. DEFINITIONS:**

- (a) **Loss:** The word "loss" shall mean each and every loss or series of losses arising out of one "loss occurrence"
- (b) **Loss Occurrence:** The sum of all individual losses directly occasioned by any one disaster, accident, or loss or series of disasters, accidents, or losses arising out of one event. The duration and extent of any one loss occurrence will be limited to all individual losses sustained by the Company occurring during any period of 168 consecutive hours arising out of and directly occasioned by the same event except that the term "loss occurrence" will be further defined as follows:
1. As regards windstorm, hail, tornado, hurricane, and cyclone, including ensuing collapse and water damage, all individual losses sustained by the Company occurring during any period of 72 consecutive hours arising out of and directly occasioned by the same event.
  2. As regards riot, riot attending a strike, civil commotion, vandalism, and malicious mischief, all individual losses sustained by the Company occurring during any period of 72 consecutive hours.
  3. As regards earthquake and fire following directly occasioned by the earthquake, only those individual fire losses that commence during the period of 168 consecutive hours may be included in the Company's loss occurrence.
- (c) **Ultimate Net Loss:** The words "ultimate net loss" shall mean the loss sustained by the Insured as a result of each and every loss or series of losses arising out of one occurrence, limited by any sub-limits contained within this Policy or the Policy/ies of the Primary and/or Underlying Excess Insurer(s), and making deductions for all salvages, recoveries and other insurance's (other than recoveries under the Policy/ies of the Primary and Underlying Excess Insurer(s)).
- (d) **Policy Year:** The words "policy year" shall be understood to mean the period in Declarations.

**7. APPLICATION OF RECOVERIES:**

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Insurer(s), provided always that nothing in this Policy shall be construed to mean that losses under this Policy shall be construed to mean that losses under this Policy are not recoverable until the Insured's ultimate net loss has been finally ascertained.

**8. CANCELLATION:**

This insurance may be cancelled by the Insured at any time by written notice or by surrender of this Policy. This insurance may also be cancelled by or on behalf of the Insurer(s) by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insured's address as shown in this insurance written notice stating when, not less than thirty (30) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.

If this insurance shall be cancelled by the Insured, the Insurer(s) shall retain the customary short rate proportion of the premium hereon, except that if this insurance is on an adjustable basis, the Insurer(s) shall receive the earned premium hereon, or the customary short rate proportion of any minimum premium stipulated herein, whichever is the greater.

If this insurance shall be cancelled by or on behalf of the Insurer(s), the Insurer(s) shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis the Insurer(s) shall receive the earned premium hereon, or the pro rata proportion of any minimum premium stipulated herein, whichever is the greater.

Payment or tender of unearned premium by the Insurer(s) shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be equal to the minimum period of limitation permitted by such law.

Notwithstanding any wording to the contrary, in the event of non-payment of the Premium stated in the Declarations Insurer(s) may cancel this Insurance with written notice to the Insured stating when, not less than ten (10) days thereafter, the cancellation shall be effective.

**9. NOTIFICATION OF CLAIMS:**

The Insured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written advice thereof to the broker or agent of record named for the purpose in Declarations.

**10. PRIORITY OF PAYMENTS:**

Notwithstanding anything contained herein to the contrary it is hereby agreed that in the event of a claim hereunder which involves more than one interest and/or coverage and/or peril, it shall be at the sole option of the Insured to apportion recovery under this policy when submitting final proof of loss, subject to the overall amount of claim not exceeding the overall limit of liability contained herein for any one loss.

For the purpose of attachment of coverage for excess layers, it is further agreed that loss involving any interest and/or peril covered in primary or underlying excess layers, but excluded in higher excess layers, shall be recognized by such excess layers as eroding or exhausting the occurrence limits of the primary and/or underlying excess layer(s). Nothing herein, however, shall be deemed to extend coverage in such layer(s) to include loss from the specifically excluded peril in the excess layer(s) itself.

**11. CONDITIONS:**

1. Substitution of Terms and Conditions: Regardless of whether this policy is attached or follows the terms and conditions of another policy, the terms and conditions of this policy including all endorsements attached thereto shall determine the coverages afforded by this policy.

2. Permission for Excess Insurance: The insured is given permission to purchase insurance in excess over the limits provided herein.

3. Territory: This policy covers insured property while located in the United States of America.

**12. POLLUTION EXCLUSION:**

This policy does not cover loss or damage caused by or resulting from release, discharge or dispersal of contaminants or pollutants or the cost of cleaning up polluting and contaminating substances.

POLICY NUMBER: MAX2XP0004029

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**Excess of Loss Agreement (Direct Physical Damage, Following Form) MEP003 07/08**

**Absolute Pollutant and Asbestos Exclusions**

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The following exclusions are added to the policy:

**Absolute Pollutant Exclusion**

This policy does not apply to any loss, direct physical loss or damage, demand, claim, occurrence, expense or suit arising out of or in any way related to pollution including any cost or expense arising out of or in any way related to testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing pollution. The company shall have no duty of any kind with respect to any such loss, direct physical loss or damage, demand, claim, occurrence, expense or suit. This exclusion applies to all coverages under this policy.

As used in this exclusion "pollution" means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste material. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed.

**Absolute Asbestos Exclusion**

This policy does not apply to any loss, demand, claim, occurrence, direct physical loss or damage, suit or expense arising out of or related in any way to asbestos or asbestos containing material or material that is alleged to have contained asbestos. The company shall have no duty of any kind with respect to any such loss, demand, claim, occurrence, direct physical loss or damage, expense or suit. This exclusion applies to all coverages under this policy.

**ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.**

## FUNGUS, WET ROT, DRY ROT AND BACTERIA LIMITED COVERAGE ENDORSEMENT

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

Presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria. But if "fungus", wet or dry rot or bacteria results in a covered cause of loss, we will pay for the loss or damage caused by that covered cause of loss.

This coverage only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

We will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

- a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
- b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
- c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.

This coverage is limited to \$2,500. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of covered causes of loss which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$2,500 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property and any Covered Business Income and/or Extra Expense. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance.

"Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

All other terms and conditions of this policy remain unchanged.

MEP005 (07/08)

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## ELECTRONIC DATA - LIMITED COVERAGE ENDORSEMENT

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This policy does not cover Electronic Data, except as provided below. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This clause does not apply to your "stock" of prepackaged software.

This clause does not cover the cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems.

Subject to the above provisions of this clause, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss which include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type. There is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

The most we will pay under this clause is \$2,500 for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

All other terms and conditions of this policy remain unchanged.

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**IMPORTANT NOTICE**

**TO OBTAIN INFORMATION OR MAKE A COMPLAINT:**

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

PO Box 149104  
Austin, TX 78714-9104  
Fax# 512-475-1771

**PREMIUM OR CLAIM DISPUTES:**

Should you have a dispute concerning your premium or about a claim you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

**ATTACH THIS NOTICE TO YOUR POLICY:**

**THIS NOTICE IS FOR INFORMATION ONLY AND DOES NOT BECOME A PART OR CONDITION OF THE ATTACHED DOCUMENT**

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as surplus line coverage under the Texas insurance statutes. The Texas Department of Insurance does not audit the finances or review the solvency of the surplus lines insurer providing this coverage, and the insurer is not a member of the property and casualty insurance guaranty association created under Article 21.28-C, Insurance Code. Section 12, Article 1.14-2, Insurance Code, requires payment of a 4.85 percent tax on gross premium.

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